

Army Echoes Issue 2, May-Aug 2005

Can you make an SBP open season election?

As we reported in the Jan-Apr *Echoes*, Congress has made a major improvement to the Survivor Benefit Plan (SBP) annuity and has scheduled an open season to run from Oct. 1, 2005 to Sept. 30, 2006.

SBP is the plan that lets a retiring Soldier elect to receive slightly reduced retired pay so that an elected beneficiary can receive an annuity after the death of the retiree.

Q: I didn't elect SBP. Won't my retired pay still go to my surviving spouse when I die?

A: No, without SBP, your retired pay stops when you die.

Q: How does SBP work?

A: You select a beneficiary such as a spouse, former spouse and/or child. You elect to cover a base amount of retired pay, which can range from \$300 to your full retired pay. When you die, your beneficiary receives 55% of that base amount, which has been increased by the same cost of living adjustments made to your retired pay.

Under the old law, the annuity was 55% until the beneficiary was age 62. After age 62, the annuity was either 35% of the base amount OR 55% of the base amount minus the Social Security benefit attributed to military service. The new law increases the post-age 62 benefit to 40% of the base amount on Oct. 1, 2005; to 45% on Apr. 1, 2006, to 50% on Apr. 1, 2007, and to 55% on Apr. 1, 2008.

Q: Who can make an open season election and what are their options?

A:

- Retired Soldiers who are not participating in SBP will be able to elect it.
- Retired Soldiers who elected SBP, but are covering less than full retired pay as their base amount, will be able to increase the base amount.
- Retired Soldiers who elected child only coverage will be able to add spouse or former spouse coverage.

Q: What will the enrollment cost be during the open season?

A: The cost has not been determined yet, but it is expected that it will cover all the costs that would have been paid if the election had been made at the first opportunity to do so.

Q: When will the open season election become effective?

A: The retired Soldier must live for two years after the election is effective for an annuity to be payable. If the retired Soldier dies before the end of the two years, the open season election becomes void and all costs resulting from the new election will be refunded to the beneficiary of the voided election.

Note: The open season election form has not been created yet by DoD. As soon as the form is available, we will announce it on <http://www.armyg1.army.mil/retire>; include it in the next *Echoes*; and send it to RSOs.

Is your SBP reduced by the Social Security offset?

The Social Security offset was the method used to compute the surviving spouse's post age-62 SBP annuity before the two-tier (55/35) law of 1986. Some annuitants who had their benefit calculated under this offset method are already receiving more than 40% of the base amount covered. These annuitants will not lose any benefits during the phase-in period. (No annuitants will lose any benefits during the phase-in period.) Beneficiaries whose annuity is already 40% or more of the base amount will not see a change in October when those under the two-tiered system have their annuities raised to the 40% level. Their benefits won't change until the date the phased-in percentage is higher than the percentage they're receiving. If you have questions about your annuity, contact the Defense Finance and Accounting Service's Cleveland Center.

Health care, communications are CSA Retiree Council's top issues

Health care, communications and education remain Army retirees' primary concerns, the Army Chief of Staff's (CSA) Retiree Council reported to the CSA after its annual meeting at the Pentagon April 18-22.

The Council is made up of 14 retired officers and NCOs and is co-chaired by LTG (Ret.) John A. Dubia and SMA (Ret.) Robert E. Hall. Members are nominated by their installation retiree councils and approved by the CSA. At its annual meeting, the Council reviews retiree issues forwarded by installation councils and determines which should be reported to the CSA and which can be addressed at the installation level. This year, the Council reviewed 45 issues referred to it by 20 installation councils.

Regarding health care, the Council asked the Chief to: continue to resource high-quality health care, refine TRICARE, and expand a targeted information campaign to assist beneficiaries; incorporate improvements to the non-subsidized Retiree Dental program during the upcoming procurement cycle (2007); and extend that program to countries where there is a sufficient retired population to make it commercially viable, such as Germany and Korea.

Concerning communication with and education of retiring and retired Soldiers, their families and surviving spouses, the Council recommended that the Chief continue to fund three issues a year of *Army Echoes*, and continue to resource the educational effort necessary to address retirement and retired Soldier programs, targeting not only retired Soldiers and those about to retire, but also those making military career decisions.

The Council also urged the CSA to:

- Support eliminating the VA's Dependency and Indemnity Compensation (DIC) offset to the SBP annuity, and support moving the effective date of the SBP premium paid-up provision from Oct 2008 to Oct 2005.
- Support ongoing studies that could lead to full concurrent receipt of military retired pay and VA disability compensation by all, furthering equity between military and other federal retirees.
- Support transformation of the Reserve Component retirement system to permit receipt of retired pay earlier than age 60 based on additional years of service beyond 20.
- Urge the Defense Finance and Accounting Service (DFAS) to establish procedures for direct deposit of retired and annuitant pay to foreign banks.
- Resource the Installation Management Agency (IMA) sufficiently to support the Retirement Services Program and apply Common Levels of Support (CLS) to manpower positions and program standards. CLS ensures that programs like Retirement Services meet a common standard regardless of location.

- Facilitate transition from military service to care from the Department of Veterans Affairs (VA) to further the partnership between DoD and VA, and emphasize the complete life-cycle care of Soldiers. Examples of this transition would be a single separation examination meeting both DoD and VA requirements, and sharing electronic medical records.

The Co-Chairmen will brief the CSA in October to update him on the Army's progress on these issues and to offer their further support.

The Council also conveyed its appreciation to the Association of the United States Army, The Military Coalition, and The National Military and Veterans Alliance for their untiring efforts on behalf of not only retired Soldiers and their families, but the entire Army as well.

Highlights from Headquarters

Greetings Retired Soldiers and Family Members,

I am excited about this edition of *Army Echoes* and think you will be too, based on the news we are sending your way. As usual, we have tried our very best to offer you the most current information on some very important events that have recently occurred or will occur in the near future. Perhaps the most important news in this edition is the article on the upcoming "Open Season" for enrollment in the Survivor Benefit Plan (SBP). While DoD is putting the final touches on program guidance, I encourage your close attention to this infrequent opportunity to elect SBP if you are not enrolled (pgs. 1 and 3).

Also, the annual CSA Retiree Council meeting finished at the end of April and we highlight the most critical results (pgs. 1 and 3).

MG Rochelle, CG of the Army Recruiting Command, is asking for your help in manning our Nation's Army (pg. 5). The Nation is at war, and so recruiting must become our Nation's business, not just Army business.

Lastly, MG Frost bid us farewell as she retired in April after commanding the Army & Air Force Exchange Service (AAFES) for the past 32 months (pg. 7).

We are noting that this year marks the 50th anniversary of the Headquarters, Department of the Army Retirement Services office. While the Army retired Soldiers prior to 1955, it was then that the Army decided via The Adjutant General's office that we wanted to institutionalize the service from a departmental level and bring visibility to a very important part of the Soldier life-cycle. Today our mission includes policy oversight and frequent dissemination of information to some 64 local Retirement Services Offices (RSOs) worldwide. The "heroes" in our business are your local RSOs who serve you on a daily basis. We also understand that many of you volunteer at these offices and we salute you as you support these critically important personnel operations.

As we celebrated another Memorial Day our thoughts turned to those who have served before us, many of whom have passed on. Each of us has special retirees or veterans who come to mind. It is a special honor from where I sit to sometimes be a part of those important ceremonies of remembrance and honor of past and present warriors. This year I remember my father-in-law who recently passed away. While not a retired Soldier, he served overseas for over three years in WWII, and always had a special place in his heart for his Army Air Corp buddies and their experiences all those years ago. Like many of his generation, he didn't wear that service on his sleeve — he held it close in his heart. He and I often talked about his China-Burma-India service, much like my Dad and I used to talk about his service in England, Africa, and Italy in that same conflict. I know that each of you has special memories of a friend or relative who has gone on to their final destination, but whose service to God and country is etched in your

hearts. Today, we have another generation of young lions who are answering the call of their Nation; and some who have paid the ultimate price. So as we reflect on the memorializing of service to country, we find that common link to something bigger, grander, and more meaningful: the ultimate freedoms this country offers to those of us privileged to call ourselves Americans. I urge you to dust off those deep feelings of pride and remember those heroes of yesterday and today who have given so much to us all. And know this—as a Retired Soldier you do not have to wonder IF you made a difference in life. YOU DID!! America is better off for what you have done!!

It's an honor to serve you! Keep chargin!!

John W. Radke
Chief, Army Retirement
Services

Online source for ways to support troops

Looking for ways to support the troops? The Army has created an online source that provides links to sites covering activities such as sending packages and messages; donating frequent flyer miles; buying gift certificates; and adopting a Soldier or platoon. The site <http://www.army.mil/howyoucanhelp> also lists service aid societies and Veterans Services Organizations.

Retirement Services celebrates 50 years

This year the Army will mark the 50th anniversary of the Army Retirement Services program. On Nov. 14, 1955, the Retired Activities Unit was established as part of the Personal Affairs Section, Personnel Services Branch of the Office of The Adjutant General. The direction to create this new unit came from the office of the Army Chief of Staff, then GEN Maxwell Taylor.

The creation of the new office was announced in Circular 600-7, Dec. 15, 1955, which began,

“To further the maintenance of a strong bond between the active Army and its retired members, commanders at all levels are enjoined to encourage a more personal relationship in all dealings with retired personnel.

The Retired Activities Unit in the Office of the Adjutant General, Department of the Army, will render prompt and complete advice and/or assistance on all matters pertaining to retired personnel, excepting the actual retirement, and will furnish information pertaining to rights, privileges and benefits as changes occur.”

A letter was sent to all Army headquarters offices directing them to establish a service similar to the Retired Activities Unit at their level.

In a letter to the Army headquarters adjutants general, The Adjutant General MG John Klein said, "The ultimate benefit to the Army, in this program, could be the spontaneous creation of a group, enthusiastic and well-qualified to inform the public of the Army's mission and its needs."

When the unit was created, there were about 99,000 retired Soldiers. This number had been growing rapidly from about 15,000 before WWII and Korea. Today, there are about 720,000 retired Soldiers, 100,000 “gray area” Reserve retired Soldiers (not yet age 60 and receiving retired pay) and 140,000 surviving spouses.

In the early days of the unit, about 22 staff members served all retired Soldiers through letters, phone calls and even visits to the Washington, DC, office. Today, the Army Retirement Services office is staffed by only six people, but the network of those serving retiring and retired Soldiers, families and surviving spouses has grown.

Soldiers and families who are about to retire and those who have retired can turn to Retirement Services Officers (RSOs) worldwide. Retiree volunteers surface retiree concerns through installation retiree councils and through the Army Chief of Staff's Retiree Council. The new Army Installation Management Agency (IMA) includes a specialist in retirement issues assigned to work with IMA regions and installations to support RSOs and retired Soldiers.



DoD marks WWII 60th anniversary

To mark the 60th anniversary of the final year of WWII, the DoD Commemoration Committee is conducting regional ceremonies. These ceremonies will recognize veterans and let them know that a grateful nation continues to remember their service and sacrifices through the years. Additional events may be listed at <http://www.60wwii.mil>. The general telephone number for all inquiries is (703) 696-0120.

Chicago Regional Event

When: Jul 23 Where: TBD Chicago
Contact: LCDR Jack Dunphy (703) 588-8598
jack.dunphy@hqda.army.mil

Pacific Northwest Regional Event

When: Aug 25-28
Where: Vancouver National Historic Reserve, WA
Contact: LTC Bob Hagen (503) 302-4228
robert.hagen@hqda.army.mil
<https://www.americassalute.org/app>

End of War in the Pacific

When: Sep 2 Where: Washington, DC
60th Anniversary of the End of World War II
When: Sep 2-3
Where: Various Locations, Oahu, HI
Contact: Jennifer Goya (808) 455-1600, x244;
1-888-877-6477; 60th@ussmissouri.org;
http://www.ussmissouri.org/60th_surrender.htm

Recruiting command asks for your help

By MG Michael D. Rochelle

Commanding General, U.S. Army Recruiting Command

I know you will all agree with me about the importance of service to country; each of you has dedicated many years to and made countless sacrifices for our magnificent Army and our nation to protect the freedoms we enjoy today. Because of you, our Army is where it is today – relevant and ready to face any challenge. Thank you for all you have done – and still do – for our Army.

I ask for your service once again. Our Army needs your help communicating to young Americans how the Army can provide them an avenue to achieve their goals and make a difference in the world.

As I'm sure you've seen in the news, recruiting for the Army has become increasingly difficult. Although we have achieved mission success five consecutive years, recruiting in a period of sustained combat is a challenge we've never before faced in more than 31 years as an all-volunteer Army. Ongoing military operations in Iraq and Afghanistan have created a hesitance among potential applicants and their families. An improving economy and civilian employment outlook, while good for the Nation, are also having a negative impact.

New, improved incentives

The Army Recruiting Command is responding to these challenges through traditional methods, such as increasing recruiters and creating new, improved recruiting incentives which are at historic levels.

For example, did you know:

- The Army College Fund offers recruits up to \$70,000 for their education.
- The student loan repayment program, which pays up to \$65,000 toward qualifying student loans, is available to recruits who enlist in ANY job specialty for at least three years.
- We offer enlistment bonuses of \$8,000 for recruits with bachelors' degrees and \$7,000 for those with two-year degrees.
- Active Army recruits can receive combined bonuses of up to \$20,000 when they enlist for three or more years.
- The Army Reserve is accepting qualified recruits up to age 40.
- The Army Reserve offers enlistment bonuses up to \$10,000 for recruits with no prior service, and up to \$15,000 for those with prior service.

Our Army has always been a great place for individuals from every walk of life to achieve their goals, improve their education, gain job skills and become successful leaders.

Recruiters are working hard to find today's young men and women who believe in the importance of service to the Nation and want to make a difference in the world. But they need your help.

As the Secretary of the Army, Dr. Francis Harvey, said during recent testimony to Congress, "Recruiting and retention of Soldiers is not just an Army challenge, it is a challenge for our country. Every one of us ... must do our part to emphasize to our young people the importance of service to the country."

Share your story

Sure, the Army may be a little different today than it was when you served, but only in terms of technology, structure and war-fighting capabilities. Yet some things never change, such as our time-honored traditions, values, camaraderie and ethos. I ask you to help us reconnect with America by sharing your Army success stories in your communities. Because you have served, you can communicate that the military is more than just a job, it is a rewarding, life-changing experience.

As teachers, coaches, community leaders, parents and grandparents, you are positive role models for today's youth. You have a far greater impact on their lives than any of our recruiters will ever have.

You all have remarkable stories to share. Pass them on; they are important to our Nation. We have to educate the American public about our Soldiers – and our veterans – one story at a time.

Connect with recruiters

I encourage you to get to know the recruiters in your area and let them know how you can help them communicate the Army's message. If you don't know where to find your recruiter, log on to <http://www.goarmy.com> and click on "Locate a Recruiter" in the right-hand column or call 1-800-USA-ARMY.

To learn more about the latest recruiting news and incentives, visit the Recruiting Command Web site at <http://www.usarec.army.mil/> and click on "Advertising & Public Affairs."

Again, thank you for continuing to serve. With your help I am confident we can achieve Recruiting success for another consecutive year.

Retired Soldiers can wear Army PT uniforms

Are you a retired Soldier who's still "fit to fight"? Is PT still part of your day? Are you a "mobilization asset", ready to return to active duty if needed? Last year, the CSA Retiree Council asked the Army to recognize this by authorizing retired Soldiers to purchase and wear the physical fitness uniform (PFU) and the improved physical fitness uniform (IPFU).

In response to the Council's request, Army Regulation (AR) 670-1 (*Wear and Appearance of Army Uniforms and Insignia*) has been revised, authorizing retired Soldiers to purchase and wear the PFU and the IPFU. Wearing either uniform symbolizes retired Soldiers' commitment to continued fitness practices and continued support of and affiliation with the Army.

Retirees who want either uniform can buy it at the Army and Air Force Exchange (AAFES) Clothing Store, through <http://www.aafes.com>, or by calling 1-800-527-2345.

As stated in the February 2005 regulation, retirees are authorized to wear the PFU or the improved IPFU with the following provisions:

- (1) May wear the PFU or the IPFU with civilian attire off the installation.
- (2) When wearing the PFU or the IPFU as a complete uniform, retirees will—
 - (a) Wear only authorized accessories corresponding to those worn by personnel of the Active Army.
 - (b) Keep the sleeves down on the sweatshirt or jacket, the legs down on the pants, and the t-shirt tucked inside the trunks.
 - (c) Not roll or push up the sleeves of the IPFU sweatshirt or the PFU/IPFU jacket.
 - (d) Wear the sleeves of the IPFU sweatshirt cuffed or uncuffed; may not cuff the IPFU jacket sleeves.
 - (e) Wear the black knit cap pulled down snugly on the head, with the bottom edge of the cap folded up; will not roll the edge of the cap. A similar, commercially designed black knit cap is authorized for wear.

Pregnant retirees are authorized to wear the t-shirt/sweatshirt outside the trunks/sweatpants.

For more information, go to http://www.apd.army.mil/pdf/files/r670_1.pdf, Ch. 30-3.



The Army's PT uniform

DeCA permits assisted shopping for disabled

FT LEE, VA – A little-known DoD directive makes assisted commissary shopping possible for disabled customers. Any authorized commissary shopper who needs help shopping or who can't shop because of disability can ask to have a caregiver authorized as an agent to help with shopping.

The agent does **not** have to be an authorized commissary shopper. Non-military primary caregivers should contact the installation ID card section to determine what legal documents, such as power of attorney, may be needed to establish proof of caregiver status and what they need to do to gain access to the installation. When caregiver status is verified, the commander's representative can authorize the caregiver as an "agent" to shop for the commissary shopper. For more information, contact the pass and identification office of the installation where you shop.

AAFES gives \$242.3M to MWR

DALLAS – AAFES is returning \$242.3 million to the Services' Morale, Welfare and Recreation (MWR) programs. For 2004, this dividend represents an average per capita dividend of \$277 for every Soldier and Airman, a 5% increase over last year.

Acting AAFES Commander, Air Force BGEN Toreaser Steele, stated that every time you shop at the Exchange, you provide support to MWR programs, facilities and non-appropriated fund construction projects such as bowling and youth centers, golf courses and outdoor recreation. In the past 10 years, AAFES has contributed more than \$2 billion to these programs.

New commander to lead AAFES

DALLAS – Air Force MGEN Paul W. “Bill” Essex will take command of the Army & Air Force Exchange Service (AAFES) in late June. He will replace Army MG Kathryn Frost who departed April 7 to retire.

Essex is serving as Director of Plans and Programs, Headquarters, Air Mobility Command, Scott Air Force Base, IL. He is a command pilot with more than 3,500 flying hours. He led unit deployments for Operations Restore Hope and Southern Watch, and participated in Operation Deny Flight.

AAFES’ current Commander is Air Force BGEN Toreaser Steele.

The Army’s highest-ranking female officer, Frost retired April 30, after 31 years of military service. She was the first woman Chief Executive Officer of AAFES, an \$8.3 billion global retail, food, and services organization. As AAFES commander during wartime, she put top priority on the AAFES pledge to the troops, “We Go Where You Go,” by quickly setting up retail facilities in Iraq and Afghanistan.

Outgoing commander’s message for retirees

MG Frost, do you have anything to say to retirees as you prepare for your own retirement?

Absolutely. I want to thank them so much for their loyalty to AAFES. They, like me, learned to love the AAFES benefit early in their military careers and they still recognize the value, service and support that AAFES provides. They tell us that by continuing to shop our stores. They also tell me that with feedback they provide to AAFES through the comment program. I hope that the retirees have seen, in the last several years, improvements in our pricing, improvements in our assortment and improvements in our service and they will continue that loyalty to AAFES and they’ll continue to tell their friends to shop AAFES. And I am really proud that as a soon-to-be retiree I’ll be joining their ranks and I’ll be shopping the PX.

What are you most proud of?

First of all, since I’ve been the AAFES Commander, no other action in the world compares to the fact that we have followed our troops into Iraq. AAFES was in Iraq, with our troops, before Baghdad fell. We had stores operating in Iraq before there were mess halls, showers, latrines or mail. We’re still there with the troops: 31 stores, 26 name-brand fast food restaurants – delivering a little bit of home to the troops. There is nothing more important for us to do than to be there for them. It is not about selling merchandise. The AAFES presence wherever our troops go to fight is about transporting the troops out of a war zone temporarily into a comfort zone. That’s the most important thing AAFES will ever do.

As the AAFES Commander, obviously, that’s the thing I’m proudest of, but when I was Deputy Commander of AAFES, there was another proud achievement.

AAFES’ Board of Directors was made up of active duty military and senior Army and Air Force civilians – there had been no retiree representation. Because retirees are the largest segment of our population, I felt like they really needed to have a voice at AAFES. So, retired MG Bill Gourley and I recommended the creation of the AAFES retiree council to the AAFES Commander. Now, twice a year the council members come to AAFES, get briefed on programs and plans and provide feedback to the Commander on things we can do better to support the retiree community. I’m enormously proud of that because retirees truly do have a voice in the way AAFES develops programs and plans for the retired community.

AAFES employee earns Defense of Freedom medal

DALLAS – Sarah Latona is the first AAFES associate to receive the Defense of Freedom Medal which honors civilian DoD employees injured or killed in the line of duty. Latona, who had been driving the dangerous roads in Iraq for 15 months, was injured Oct. 9, 2004 when the bus she was driving was rocked by an explosion. The bus was destroyed and Latona suffered multiple serious wounds from shrapnel to the eye, face, right arm, right leg and backside. Her three service member passengers were also injured and three other trucks in the convoy behind her were engulfed in flames. Everyone in the convoy survived. Now, Latona is back in Mountain Home, ID, working four hours a day in the Military Clothing Sales Store (MCSS). AAFES associates preparing to deploy to facilities in Iraq or Afghanistan stop by the MCSS to talk with Latona before they leave.

DFAS assures customers – myPay is safe

ARLINGTON, VA – The Defense Finance and Accounting Service (DFAS) assures its customers that every precaution is being taken to make sure their personal data is safe and secure. With “phishing” scams occurring more frequently, customers should be aware that **DFAS and its Web-based system, myPay, will not ask for personal or financial information by e-mail.**

“Phishing” attacks trick people into parting with personal information by luring them to false corporate Web sites or by requesting personal information be sent in a return e-mail. “Phishers” send e-mails or pop-up messages claiming to be from a business or organization you would routinely deal with - an Internet service provider, bank, online payment service or even a government agency. The message usually says that you need to update or validate your account information and it might threaten dire consequences if you don’t respond. You are directed to a Web site that looks like a real organization’s site. If you give personal information to this bogus site, the scam operators can steal your identity and make purchases or commit crimes in your name.

DFAS customers can safely make changes to personal information by entering the myPay Web site (<https://myPay.dfas.mil>) with a personal identification number (PIN) and accessing the secure financial page.

myPay combines a 128-bit encryption software (strong encryption) and Secure Socket Layers (SSL) technology with the user’s social security number, PIN and secure Web address or DoD-specific telephone number all acting as safeguards against unauthorized access. This combination prevents information from being retrieved by outside sources while it's being transmitted. The secure technology provided to myPay customers meets or exceeds security standards in private industry.

Are you eligible for special disability pay?

Retirees with disabilities directly related to an incident(s) involving training that simulates war, an instrumentality of war, hazardous duty, or armed combat can apply for Combat-Related Special Compensation (CRSC). CRSC is tax-free compensation paid in addition to retired pay and VA disability compensation. It is believed that less than 17% of the eligible pool of Army retirees have applied, which could mean that not all retirees know the facts about this program that began in 2003. The Army CRSC branch has awarded over \$378M to over 19,830 Army retirees.

To apply for CRSC compensation, applicants must meet **ALL** four of the following criteria **AND** have at least one rated VA disability determined to have been combat-related:

- Served 20+ years Active Duty – OR – Reservist age 60+ with 20+ creditable years of service;
- Are in a retired status;
- Are entitled to retired pay (must be offset by VA payments); and,
- Have at least a 10% VA rating.

It is important that retirees send in documentation that proves their disability (10% or higher VA disability rating) is combat-related. Suggested documents to include in your CRSC application are: copies of the most recent and complete/retirement DD214, any DD215s (corrected 214s), medical documentation showing the origin and cause of the disability, and all available VA rating decisions. Any other supporting documentation may also help prove your claim.

For example, here is the experience of one recent applicant. The retiree had Diabetes Mellitus as a result of Agent Orange, along with additional related secondary disabilities which are commonly CRSC-approved as presumptive disabilities. However, the retiree did not provide the specific documentation needed to show causation. The adjudication specialist advised the retiree to go back to the VA to get an updated VA rating decision showing the Diabetes Mellitus was a result of Agent Orange and that the other disabilities were secondary to the Diabetes Mellitus. This documentation was obtained and submitted to the CRSC Branch which approved the application.

For more information or an application, call CRSC toll free at 1-866-281-3254, Mon-Fri from 8 a.m. to 7 p.m. ET, or go to <http://www.crsc.army.mil>.

DFAS changes web address

The DFAS Web site, previously found at <http://www.dfas.mil> has moved to <http://www.dod.mil/dfas>. Users who visit <http://www.dfas.mil> or who follow any links to the old address are currently being automatically redirected to the new site.

Planning for a fall AFRC vacation?

Considering a fall vacation? The autumn months are one of the off-season periods at the Armed Forces Recreation Centers (AFRC) and now would be a good time to make your reservations.

AFRCs are centrally-managed, Army Community and Family Support Center-operated facilities for Army personnel, their families, and other members of the total Defense Force. They include Shades of Green®, FL; Hale Koa Hotel®, HI; Edelweiss Lodge and Resort, Germany; and Dragon Hill Lodge®, Seoul, Korea. We list the reservation phone and FAX numbers of these facilities on page 10 of every *Echoes*.

Following are tips for arranging an AFRC visit.

Tip #1 - Book your reservations well in advance. Take advantage of the AFRC practice of accepting reservations up to a year in advance. While four to six months ahead is often plenty of time to make a reservation, the earlier you make reservations, the better the likelihood of getting the dates you want. When booking a reservation at the Dragon Hill Lodge, remember that the highest priority is granted to Permanent Change of Station (PCS) guests, leave and pass guests, their immediate family members, and guests in a Temporary Duty (TDY) status.

Tip #2 - Place yourself on the AFRC wait-list* for the dates you want and book a reservation with alternative dates in case the dates you want are unavailable.

* This tip varies slightly for the Dragon Hill Lodge® and Hale Koa Hotel® wait-list procedures: The wait-list for all categories of Dragon Hill Lodge® guests, other than PCS and temporary lodging accommodations, begins at 1300 hours each day for the desired overnight stay. The Hale Koa Hotel® establishes wait-list prioritization by active

duty status.

Tip #3 - Schedule your AFRC vacation during off-season periods such as September, October, and November. Weekdays are often less busy than weekends, as well.

Tip #4 - If the AFRC simply does not have room reservations available during the time you want, **ask for a booking at a “referral” or “partner” hotel.** This is a nearby hotel with which the AFRC has entered into a referral agreement. The accommodations are secured at a rate below the hotel’s full price rates and save you money. Plus, you can still take advantage of the AFRC’s dining, entertainment, and other services.

Tip #5 - Most AFRC reservation call centers experience their highest call volume early in the week (Mon-Wed). **Call on Thu or Fri** to make your reservation and reduce your on-line wait.

Is E-Echoes for you?

Would you rather cancel your paper *Echoes* and read this publication at your computer? Would you like to receive Current News updates by e-mail between issues of *Echoes*? You can, by signing up through a secure link at <http://www.armyg1.army.mil/rso/echoes.asp>.

About 6,000 of you will stop your paper copy with this issue; however, some of you who volunteered by e-mail by providing the last four digits of your SSN may still be receiving a paper copy. Why? We were not able to look up full SSNs of "gray area" retirees until just recently. In other cases, we found that a few retirees forgot that their e-mail addresses were not the same as their names, and neglected to include their names. We're all new at this endeavor so we ask for your patience and thank you for your support!

AFVC offers off-season condo discounts

The Armed Forces Vacation Club (AFVC) is a space-available program that offers retirees, their families and other DoD-affiliated personnel the opportunity to take condominium vacations at resorts around the world for about \$264 per unit per week.

The AFVC can offer this rate by using excess inventory at condominium timeshare resorts which generally means off-season or short-notice travel. (Note: Certain overseas resorts require “all inclusive” packages which increase the cost.) While the condominiums are at timeshare resorts, there is NO requirement to attend a timeshare presentation.

For information, go to <http://www.afvclub.com> or call 1-800-724-9988. You can also call the Morale, Welfare and Recreation Office at the nearest military installation and ask if they participate and have a Resort Resource Book. If you decide to make reservations, use the account number 7033 00000.

Certain medications will cost more

Three medications are being placed in the non-formulary category of TRICARE's new Formulary: Nexium® (esomeprazole), a medication for ulcers and other stomach problems; and Teveten® (eprosartan) and Teveten HCT® (eprosartan with hydrochlorothiazide), both used to treat high blood pressure. This means that beneficiaries will pay a higher co-pay for these medications and military treatment facilities won't be able to fill prescriptions for them unless certain conditions are met.

Effective July 17, 2005, beneficiaries will pay \$22 for up to a 30-day supply of these medications at a TRICARE Retail Network Pharmacy (TRRx) or up to a 90-day supply of

these medications through the TRICARE Mail Order Pharmacy (TMOP). Beneficiaries will pay the higher of \$22 or 20% in retail non-network pharmacies.

Patients using Nexium®, Teveten® or Teveten HCT® may wish to ask their doctors if another drug could be an option. Alternatives to these medications, and their cost shares are listed in the chart below:

Nonformulary	Formulary Alternatives and copay
Nexium®	\$3 - generic omeprazole \$9 - Aciphex®, Prevacid®, Protonix®, Zegerid®
Teveten ®	\$9 - Atacand®, Avapro®, Benicar®, Cozaar®, Diovan®, Micardis®
Teveten HCT®	\$9 - Atacand HCT®, Avalide®, Benicar HCT®, Hyzaar®, Diovan HCT®, Micardis HCT®

If medical necessity is established for using Nexium®, Teveten® or Teveten HCT®, patients may qualify for the \$9 co-pay for up to a 30-day TRRx supply or up to a 90-day TMOP supply.

Military Treatment Facilities (MTFs) will no longer have Nexium®, Teveten® or Teveten HCT® on their local formularies. MTFs will be able to fill non-formulary requests for these medications only if: 1) an MTF provider writes the prescription, **and** 2) medical necessity is established for these products. MTFs may (but are not required to) fill a Nexium®, Teveten® or Teveten HCT® prescription written by a non-MTF provider to whom the patient was referred, as long as medical necessity has been established.

TRICARE gives the following directions to establish medical necessity. If the physician feels that it is medically necessary for the patient to receive the non-formulary medication instead of the formulary medication, then the physician should call the Express Scripts doctor call line at (866) 684-4488, to obtain medical necessity approval. The procedures are the same for the TMOP, except the doctor call line for that program is (877) 283-3858.

Important note about Nexium®: Beneficiaries who already have a medical necessity determination for Nexium® on file at the TMOP **are required to re-establish medical necessity for the drug** under the TRICARE medical necessity criteria in order to receive Nexium® at the \$9 formulary cost share. Existing TMOP medical necessity determinations for Nexium® will become invalid on July 17, 2005.

Beneficiaries can fill prescriptions for non-formulary and other covered medications through the TMOP and TRRx pharmacies. Through the TMOP, beneficiaries may receive up to a 90-day supply of medicine for the same cost as a 30-day supply in the TRRx. For more information on TMOP, go to http://www.tricare.osd.mil/pharmacy/tmop_contact.cfm or call (866) DOD-TMOP, (866) 363-8667. For information on TRRx, visit

http://www.tricare.osd.mil/pharmacy/trrx_contact.cfm or call (866) DOD-TRRX, (866) 363-8779.

TRICARE starts online pharmacy tool

The new TRICARE Pharmacy Formulary search tool (<http://www.tricareformularysearch.org>) lets beneficiaries find medication-specific information using either a drug name or a medical condition. The tool can be used to:

- Check availability of medications through the Mail Order or Retail Pharmacy programs.
- Discover which medications are on the Basic Core Formulary which must be made available at all full service military pharmacies.
- Find copayment information for prescriptions.
- Learn about generic equivalents for brand-name medications, quantity limits or prior authorization requirements.
- View and print prior authorization criteria and forms. Learn about FDA-approved drug uses, side effects and interactions with other medications.

Beneficiaries should consult their providers, pharmacists, or other health care professionals for specific questions regarding their medications. For more information, go to <http://www.tricare.osd.mil/pharmacy>.

DoD struggles with rising health care costs

WASHINGTON (AFPS) – Rising medical costs and the expansion of health benefits for retirees, Guard and Reserve members, and their families, are putting a strain on the military health care system, DoD health and personnel officials told members of Congress April 21.

Dr. William Winkenwerder Jr., Assistant Secretary of Defense for Health Affairs, and David S. C. Chu, Undersecretary of Defense for Personnel and Readiness, testified before the personnel subcommittee of the Senate Armed Services Committee.

Winkenwerder pointed out that rising health care costs are a nationwide problem. Chu said rising costs can also be attributed to increased TRICARE enrollment. He said benefits improvements have made TRICARE “widely accepted” by service members, retirees and their families. And, he added, “others seek to join this program,” referring to retirees over age 65, who joined TRICARE for Life, and Reservists, who can enroll in TRICARE Reserve Select. He said TRICARE’s popularity has brought “substantial cost.”

Winkenwerder said that TRICARE expenses have doubled over the past five years, from \$18 billion to nearly \$36 billion. If the trend continues, the program’s budget could top \$50 billion within five years, he said. ***Winkenwerder estimated that, by 2010, about “70% of the health budget will be spent caring for retirees.”***

“The facts show that our expansion of health benefits, such as those for our senior retirees, underlies the growth, and that growth could put today’s operations and sustainment at risk,” he said.

The expansion of health care benefits to retirees has also led to higher pharmacy costs. The cost of TRICARE’s pharmacy program has increased 500% since 2001, with costs approaching \$6 billion this year Winkenwerder said. He said the department is trying to control costs by starting “performance-based” budgets and improving TRICARE’s pharmacy program with a new formulary and federal pricing for its retail pharmacy network. Still, he added, management actions alone, even dramatic ones, “will not stem the rapid growth spending. That is because benefit expansion and rising utilization are the driving forces in sending these costs upward,” he explained.

Winkenwerder said part of TRICARE's problem is that the program's benefit structure has not kept pace with changes in the private sector. For example, enrollment fees and cost shares for TRICARE have not increased in a decade, he said. Winkenwerder pointed out that while TRICARE cost shares have remained "unchanged" over the past five years, those for private health care firms have risen significantly. For instance, cost shares for Kaiser Permanente Mid-Atlantic region rose 57% and those for Blue Cross Standard rose 87%.

"This has persuaded a growing number of our beneficiaries to drop their private coverage and to fully rely upon TRICARE," he said. Winkenwerder predicted that the "low out-of-pocket costs and outstanding benefit" that TRICARE provides will drive "all of our retirees (to) rely on TRICARE instead of their employer-based plans in just a few years."

"Simply put, we face a tremendous challenge with a benefit design that does not always reward the efficient use of care," he said. "And that is increasingly out of step with employer plans." However, he told the sub-committee, the department is looking at "viable options" to contain costs. One possible option, according to Chu, would be establishing a health-savings plan for military families, similar to the one Congress authorized for DoD civil service employees. "We are looking hard at how you would offer (such a plan) on a voluntary basis – again, your choice – to military households," Chu said.

You need Medicare Part B to get TRICARE for Life

Reminder: TRICARE beneficiaries who are entitled to Medicare Part A must purchase Medicare Part B to remain eligible for TRICARE.

The Medicare Modernization Act of 2003 provided a special opportunity for these beneficiaries to purchase Medicare Part B to keep TRICARE eligibility without paying a penalty for late enrollment. Ordinarily, there is a lifetime 10% penalty surcharge for each year enrollment is delayed after initial eligibility.

In March, the Social Security Administration (SSA) sent a reminder letter to TRICARE beneficiaries who have Medicare Part A, but not Part B, giving them 60 days to enroll. If you did not receive this letter, have Medicare Part A but are not enrolled in Part B, you should contact the SSA at 1-800-772-1213 or visit your local Social Security office. TRICARE beneficiaries who paid late Medicare enrollment premium surcharges in 2004 and 2005 and who enrolled in Medicare Part B *in 2001 or later* can request reimbursement from SSA.

Law raises limits for home loans

WASHINGTON – Recent legislation has increased the ceiling for Department of Veterans Affairs (VA) home loans.

Under the new law, veterans will be able to get no-down payment loans of up to \$359,700. The previous ceiling was \$240,000.

VA-guaranteed home loans are made by banks and mortgage companies to veterans, service members and reservists. With VA guaranteeing part of the loan, veterans can receive a good interest rate without having to make a down payment.

The new law allows VA to guarantee one-year adjustable rate mortgages (ARMs) and it extends, through 2008, VA's "hybrid ARM program," which allows veterans to lock in a favorable interest rate for at least three years.

More information is available at <http://www.homeloans.va.gov> or by calling 1-800-827-1000.

VA updates benefits handbook, vets can get it free online

WASHINGTON — The new edition of the popular VA handbook *Federal Benefits for Veterans and Dependents* updates the rates for certain federal payments and outlines many programs and benefits for veterans.

The handbook can be downloaded free at <http://www.va.gov/opa/feature/>.

The handbook is one of the top-selling consumer publications of the Government Printing Office (GPO). GPO accepts credit card orders at 1-866-512-1800 (toll-free) or (202) 512-1800 for \$7 each to U.S. addresses, or \$67 for bulk orders of 25 copies. It can also be ordered from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954 (stock #051-000-00228-8).

Most of the nation's 25 million veterans qualify for some VA benefits, which range from health care to burial in a national cemetery. In addition to describing VA benefits, the 120-page booklet gives an overview of veterans services provided by other federal agencies.

The handbook lists resources to help veterans access their benefits, including toll-free phone numbers, Internet addresses and a directory of VA facilities.

It includes veterans programs such as home loan guaranties, educational assistance, training and vocational rehabilitation, income assistance pensions, life insurance and compensation for service-connected illnesses or disabilities. The handbook also gives information on possible benefits for survivors. It describes programs for veterans with specific service experiences, such as those who have been prisoners of war or who had environmental exposures in Vietnam or the Gulf War, as well as special benefits for veterans with severe disabilities.

VA awards grants to state facilities

WASHINGTON – The VA is targeting \$22 million in grant money to help improve some state veterans home, including:

- \$830,000 to the Missouri Veterans Home in St. Louis to help pay for a new roof.
- \$4.2 million to the Missouri Veterans Home at Cape Girardeau to help pay for a new heating, ventilation and air-conditioning system and a new dining activity room.
- \$8.3 million to the Holyoke, MA, facility to help pay for a new air-conditioning system, auditorium, and improvements to the kitchen.
- \$2.3 million to the Ohio Veterans Home in Sandusky to help pay for a new fire alarm system and an emergency generator.
- \$4.7 million to help pay for a 108-bed state veterans home in Fayetteville, AR.
- \$1.7 million to the Jackson, MS, facility to help pay for a new air-conditioning system, new roofs and new bedroom furniture.

For information on your state's veterans homes, contact your state veterans office or visit your state Web sites.

VA reaches out to OIF/OEF vets

WASHINGTON — The VA is hiring 50 veterans of Operations Iraqi and Enduring Freedom (OIF/OEF) to provide outreach services to veterans returning from Afghanistan and Iraq, doubling the number of counselors.

These counselors visit military installations, coordinate with military family assistance centers, and interview returning veterans and their families, briefing them on VA benefits.

Proposed legislation that could affect you

SBP HR 808, S 185 would end the offset of the SBP annuity by the VA's Dependency and Indemnity Compensation (DIC) which affects those surviving spouses who are eligible for both.

HR 968, S 185 would move ahead the effective date of the "paid up" provision of SBP from Oct. 1, 2008 to Oct. 1, 2005 for retirees who have been paying premiums for at least 30 years and have reached age 70.

Health care HR 602, S 407 would allow military retirees to enroll in the Federal Employee Health Benefits Plan (FEHBP) and would waive Medicare Part B premiums for retirees whose service began before Dec. 7, 1956.

HR 836 would change the TRICARE reimbursement rates and cost sharing requirements to be the same as or as similar as possible to the Blue Cross/Blue Shield Standard Plan rates under FEHBP.

HR 515 would establish a VA budgeting formula to assure full health care funding.

S 484 would make health care premiums for retirees tax-free.

CRSC HR 995 would make those who were retired with fewer than 20 years of active service but who were awarded the Purple Heart eligible for Combat-Related Special Compensation (CRSC).

HR 1366 would change service-eligibility criteria for CRSC to include those retired for disability (without sufficient length of service).

Reserve HR 783, S 639, would change the Reserve retirement age.

HR 558, S 337 would change the Reserve retirement age and service requirements.

Keep retired pay records current

Too often, we hear about survivors who have been denied Survivor Benefit Plan (SBP) benefits because the retiree failed to update retired pay records when the retiree married, divorced, remarried, was widowed or gained a child. We hear from surviving spouses who did not receive the retired pay for the portion of the last month the retiree was alive because this money went to someone else whom the Soldier had named at retirement.

We hear from former spouses who lost SBP because neither the former spouse nor the retiree notified the Defense Finance and Accounting Service within a year of the divorce that SBP was part of the divorce by sending a letter and a copy of the decree.

To make sure your spouse (or former spouse) is prepared, keep a file of information that your spouse (or former spouse) will need when you die. Make sure your spouse (or former spouse) knows what benefits to expect or not to expect. **Clip this article to your files as a reminder to keep your retired pay records current when your status changes.**

Note: The SBP "paid up" provision which allows retirees to stop paying SBP premiums after 30 years of premium payments and reaching age 70 does not go into effect until Oct. 1, 2008.

AAFES projects link deployed with homefront

AAFES recently introduced its Patriot Family Connection program to help connect deployed military members with those who support them back home.

The program offers family members, friends of deployed service members and AAFES associates a chance to record their greetings, words of support and thanks. Messages can be recorded 24 hours a day, free of charge, and are forwarded to American Forces Network (AFN) Radio, which is heard at locations overseas including those in Operations Enduring and Iraqi Freedom (OEF/OIF).

Anyone can record a message by calling 1-800-713-1302 and following the prompts. For more information, log on to <http://www.AAFES.com> and click on the Patriot Family link. The site includes sample messages. For example, Doug Ford of Denton, NC, said, "I want to send all the best wishes to the troops. God bless ya'll and thank ya'll for everything you do."

The Patriot Family Connection is one of several initiatives AAFES is using to help bridge the distance between the homefront and the front lines. With Back to the Homefront, AAFES is creating large commemorative banners filled with messages from those deployed to OEF/OIF to those who are supporting them back home. The banners will be made into 10 large billboards and will tour and be displayed in Exchanges worldwide.